

Rhonda

SETTLEMENT AGREEMENT

This Settlement Agreement, executed on the dates set forth below, by and between the Michigan Department of Attorney General ("ATTORNEY GENERAL") with offices at 2860 Eyde Parkway, East Lansing, Michigan, 48823, on behalf of the State of Michigan and Hazel I. Findlay Country Manor, a Michigan Corporation, ("PROVIDER") with offices at 1101 South Scott Road, St. Johns, Michigan, 48879;

PROVIDES AS FOLLOWS:

ATTORNEY GENERAL is lawfully authorized to investigate and prosecute alleged violations of the Medicaid False Claim Act, 1977 PA 72, as amended;

PROVIDER is a Medicaid certified provider under the Medicaid program and has functioned as such at all times pertinent hereto;

The parties acknowledge and agree that PROVIDER received Medicaid overpayments from the State of Michigan's Medicaid Program for products and services provided by PROVIDER to Medicaid recipients; and

The parties desire to resolve and settle all disputes between them relating to the Medicaid overpayments received by PROVIDER, without any admission of wrongdoing on the part of PROVIDER and without further action by ATTORNEY GENERAL or the State of Michigan.

THEREFORE, in consideration of the mutual promises, covenants, and agreements by and between the parties set forth herein, IT IS AGREED as follows:

1. PROVIDER shall pay to STATE OF MICHIGAN the sum of \$5,565.53, representing reimbursement of Medicaid overpayments.
2. As payment of the above monies, PROVIDER shall deliver to ATTORNEY GENERAL, simultaneous with the execution of this Agreement, the following:

a) PROVIDER's certified check, cashier's check, or money order payable to
STATE OF MICHIGAN in the amount of \$5,565.53.

3. Upon receipt of the above sums, ATTORNEY GENERAL and the State of
Michigan will close its investigative files on PROVIDER with respect to Medicaid
overpayments, and no further action will be instituted against PROVIDER by the State of
Michigan or ATTORNEY GENERAL with regard to such overpayments.

4. Execution of this Settlement Agreement and payment of monies pursuant hereto
shall not be construed as an admission of civil or criminal wrongdoing.

5. This Settlement Agreement contains the full and complete agreement between the
parties and shall not be modified in any manner except by written instrument executed by the
parties.

WHEREFORE, each of the parties or their authorized agents voluntarily signs this
Settlement Agreement on the dates set forth below.

Date: 3/19/04

State of Michigan
Department of Attorney General

By: Kurt E. Krause
Kurt E. Krause
Assistant Attorney General

Date: 3/17/04

Hazel I. Findlay Country Manor,
A Michigan Corporation

By: Steven C. Hill
Business Address:
1101 South Scott Road
St. Johns, MI 48879

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



MIKE COX
ATTORNEY GENERAL

P O Box 30218
LANSING MICHIGAN 48909

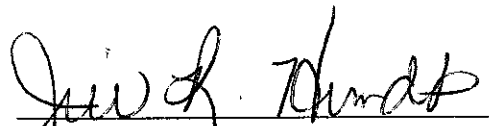
March 22, 2004

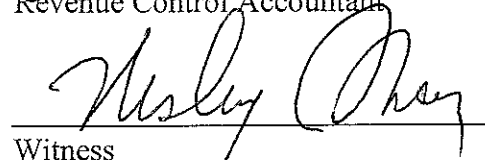
Re: Hazel I. Findlay Country Manor
HCF No. 04-02-0320

R E C E I P T

Received this date from the Michigan Department of Attorney General, Health Care Fraud
Division, check #20828358 in the amount of \$5,565 53 from Linda Vaneffen (Hazel I. Findlay,
Country Manor, drawn on Citizens Bank, dated March 17, 2004.

Dated: 3/24/04


Jill Hundt/Shirley Edelman
Revenue Control Accountant


Witness
Department of Attorney General